

South Tahoe

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Public Utility District

For Immediate Release

Public/Legislative Affairs Office

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MEDIA RELEASE

STPUD TEMPORARILY POSTPONES CONNECTION FEE INCREASE TO HELP LOCAL BUILDING ECONOMY

South Lake Tahoe, CA – At the January 7, 2010 Board meeting, the Board of Directors voted unanimously to postpone a planned 36% increase in water capacity charges and a 16% increase in sewer capacity charges. These charges, commonly known as connection fees, will be held at the current rate for a sixth-month period (through June 30, 2010) in order to provide the incentive to encourage construction projects to move forward. The Board may re-evaluate mid-year and will then determine if the postponement might apply longer. It is the Board's hope that this action might stimulate planned construction projects to move forward sooner rather than later.

Capacity charges are the cost to "buy into the infrastructure" at a level that is commensurate with the current replacement value of the water and wastewater infrastructure and will be equitable to the existing customer base as well as the developer. In 2006 for water and 2008 for sewer, the District undertook formal rate studies to determine appropriate capacity charges. The studies indicated the need for significant increases. In order to lessen the impact to the local economy the Board then elected, by ordinance, to phase the increases over a five-year period.

For additional information, regarding capacity charges contact the Customer Service Department at 544.6474 during regular business hours or visit the District's website at www.stpud.us .

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